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COMMONWEALTH OF VIRGINIA

STATE CORPORATION COMMISSION

AT RICHMOND, JUNE 3, 1999

APPLICATION OF

NTEGRITY TELECONTENT SERVICES OF VIRGINIA, INC.

CASE NO. PUC990019

For a certificate of public convenience and necessity to provide local exchange telecommunications services

FINAL ORDER

On February 9, 1999, Ntegrity Telecontent Services of Virginia, Inc. ("Ntegrity" or "Applicant") completed an application for a certificate of public convenience and necessity to provide local exchange telecommunications services throughout the Commonwealth of Virginia. As part of its application, Ntegrity requested a temporary waiver of § B.5.a of the Commission's Rules for Local Exchange Telephone Competition adopted in Case No. PUC950018, 20 VAC 5-400-180 ("Local Rules"), requiring audited financial statements to be filed with the application.

By order dated March 4, 1999, the Commission directed the Applicant to provide notice to the public of its application, directed the Commission Staff to conduct an investigation and file a report, and scheduled a public hearing to receive

evidence relevant to Ntegrity's application. On April 20, 1999, Staff filed its report finding that Ntegrity's application was in compliance with the Commission's Local Rules except that the financial statements provided by Ntegrity were unaudited.

Based upon its review of Ntegrity's application and the Company's requested waiver of Local Rule § B.5.a, requiring that audited financial statements be provided with the application, the Staff determined it would be appropriate to grant to the Company a local exchange certificate subject to two conditions:

(1) any customer deposits collected by the Company be retained in an unaffiliated third party escrow account until such time as the Staff or Commission determines it is no longer necessary; and (2) the Company shall provide audited financial statements to the Staff no later than one (1) year from the effective date of its initial tariff.

A hearing was conducted on May 5, 1999. Ntegrity provided proof of publication of newspaper notice as directed by the Commission's March 4, 1999, Order. However, at the hearing, Ntegrity acknowledged that it did not provide notice to local exchange companies ("LECs") certificated in Virginia and requested that the Commission grant it additional time to provide such notice.

In an order dated May 13, 1999, the Commission established a revised schedule for notice and comment. The Commission noted

that, if there were no requests for the hearing to be reconvened, the Commission might grant the requested certificate based upon the exhibits received at the May 5, 1999, hearing.

No written comments, notices of protest or requests that the hearing be reconvened were filed.

On May 18, 1999, the Applicant provided proof of notice as directed in the Commission's Order dated May 13, 1999.

Having considered the application and the Staff report, the Commission finds that Ntegrity's application should be granted. We also find that we should grant the Company's request for a waiver of § B.5.a of the Local Rules, requiring that audited financial statements be provided with the application. Accordingly,

IT IS THEREFORE ORDERED THAT:

- (1) Ntegrity Telecontent Services of Virginia, Inc. hereby is granted a certificate of public convenience and necessity,

 No. T-445, to provide local exchange telecommunications services subject to the restrictions set forth in the Commission's Rules for Local Exchange Telephone Competition, § 56-265.4:4 of the Code of Virginia, and the provisions of this Order.
- (2) Ntegrity shall provide tariffs to the Division of Communications which conform with all applicable Commission rules and regulations.

- (3) Ntegrity shall provide to the Division of Economics and Finance audited financial statements no later than one (1) year from the effective date of its initial tariff.
- (4) Should Ntegrity collect customer deposits, it shall establish and maintain an escrow account, held by an unaffiliated third party, to hold such funds, and shall notify the Commission Staff of the escrow arrangement. Any escrow arrangement established pursuant to this Order shall be maintained until such time as the Staff or Commission determines it is no longer necessary.
- (5) Since there is nothing further to come before the Commission, this case shall be dismissed and the papers herein placed in the file for ended causes.